



Fiscal Note

H.B. 346

2016 General Session
 Urban Redevelopment Tax Credit
 by Handy, S.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(4,067,200)	\$4,067,200	\$0

State Government

UCA 36-12-13(2)(b)

If the maximum urban redevelopment tax credit amount of \$4,000,000 is allocated each fiscal year, revenue loss to the Education Fund is estimated to be \$480,000 in FY 2018, \$920,000 in FY 2019, and \$1,320,000 in FY 2020 with the revenue loss increasing each fiscal year through FY 2027 as more qualified investors receive a tax credit allocation and begin claiming the credit each year for ten years. A \$4,000,000 ongoing revenue loss is estimated beginning in FY 2029.

Revenues	FY 2016	FY 2017	FY 2018
Education Fund	\$0	\$(4,000,000)	\$(4,000,000)
Education Fund, One-Time	\$0	\$4,000,000	\$3,520,000
Total Revenues	\$0	\$0	\$(480,000)

Enactment of this bill could cost the Housing and Community Development Division (HCD) of the Department of Workforce Services (DWS) \$67,000 annually beginning in FY 2018, and \$50,000 one-time for screening tax credit applications, issuing the tax credits, and providing copies of each tax credit to the State Tax Commission. HCD would also use the staff support to monitor the redevelopment projects for which tax credits were issued.

Expenditures	FY 2016	FY 2017	FY 2018
General Fund	\$0	\$67,200	\$67,200
General Fund, One-Time	\$0	\$(67,200)	\$50,000
Total Expenditures	\$0	\$0	\$117,200

Net All Funds	\$0	\$0	\$(597,200)
----------------------	------------	------------	--------------------

Local Government

UCA 36-12-13(2)(c)

In communities where an urban redevelopment project is approved, local contributions would be required that equal at least 50 percent of the tax credit allocation as a result of the provisions of the legislation.

Enactment of this bill could provide a tax credit of up to 35% of the qualified investment to a person who makes a qualified investment in an urban redevelopment project. The number of persons who will make a qualified investment and apply for a tax credit certificate each year is unknown. Qualified investors may claim a tax credit, up to an aggregate total of \$480,000 in FY 2018 if the maximum credits are issued. The available tax credits increase each year through 2029, to a maximum of \$4 million.

Performance Note

JR4-2-404

No performance note required for this bill

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.